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SUBJECT: AMBASSADOR AND SECRETARY OF TOURISM REVIEW
BOOMING U.S.-ARGENTINE TOURISM FLOWS

SUMMARY

¶1. (U) Ambassador Wayne met with Secretary of Tourism Enrique Meyer to discuss ways to encourage and support the growing tourism between the U.S. and Argentina. He also advocated on behalf of Sheraton Hotels/Starwood, which was caught up in a dispute between two factions of the taxi drivers union. The Secretary offered to work more closely with the

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Embassy in hopes of highlighting travel and tourism opportunities. He mentioned that many U.S. hotel chains are aggressively expanding in Argentina's burgeoning tourism market, which attracted over 2 million visitors in 2006 and is growing 24 percent per year. Following the meeting, the Ambassador met with Mr. Sergio Hurtado of American Airlines. They discussed current projects with the Secretary of Tourism and American's application to the DOT to be the first airlines to add an additional route (BA-Chicago) since the signing of the new bilateral civil aviation agreement, which allows significant expansion of flights between the two countries.

INCREASED TOURISM

¶2. (U) The Ambassador recently met with the Argentine Secretary of Tourism Enrique Meyer. Mr. Dar!o Cervini, his advisor, and Mr. Hctor Espina, President of National Parks, participated. The Secretary who is a long time friend of the Kirchners

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from Santa Cruz province, explained that one of his major priorities is to promote Argentina worldwide. One of the projects to further that goal is the re-design of access to and amenities available at Argentine National Parks.

¶3. (U) The Secretary is also promoting a workshop in cooperation with American airlines in Buenos Aires during the month of September and has invited approximately ninety Tourism Operators from the United States. Further, he has launched a "virtual

University" for U.S. agents to acquaint themselves with the numerous tourism locations located in Argentina in order to better promote such locations to their clients.

¶4. (U) In 2006, the Argentine tourism industry reported a record year with about 4.5 million arrivals, a 14 percent increase from 2005. In addition, nearly 300,000 Americans visited Argentina in 2006. According to the U.S. Department of Commerce, the amount of Argentines traveling to the United States is growing with a regular 12 per cent per year, reached 212,000 Argentine arrivals in ¶2006.

TAXI DISPUTE AT BA SHERATON

¶5. (SBU) The Ambassador consulted with the Secretary regarding the Sheraton Hotel, which was suffering from a much-publicized dispute between the taxi company serving its hotel and the taxi union. The Ambassador urged the GOA to promote a rapid resolution of the dispute, noting that the news of taxis blocking the Sheraton in downtown Buenos Aires can't be good for tourism. The Secretary agreed.

INCREASED FLIGHTS

¶6. (U) The Ambassador highlighted the July 2007 signing of the US-Argentine Civil Aviation Agreement and thanked the Secretary for his strong support. The new amendments will increase the number of weekly passenger frequencies that U.S. and Argentine airlines may operate between the two countries; significantly expand the route rights for Argentine

carriers on their U.S.-connected service to destinations in Canada, the Caribbean, Central America, Mexico, Europe and Asia; allow charter flights between the two countries; and modernize the existing agreement's provisions on aviation security and pricing. The proposed amendments affect only passenger service.

¶7. (U) The Ambassador also noted that there is a lack of on time and competitive domestic flights to Argentine provincial cities. Some of the wealthier provinces are encouraging other private carriers, the Secretary said, but this remains a serious problem for tourism and for Argentine citizens traveling by air.

U.S. HOTELS ARE BOOMING

¶8. (U) The Secretary mentioned that another one of his priorities is to promote greater investment in hotel infrastructure. As a result of booming tourism, which attracted over 2 million visitors in 2006 and continues to grow at 24 percent per year, U.S. hotel chains are aggressively expanding in Argentina's burgeoning tourism market. There are more than 200 new projects underway, including major projects like the Sheraton in Puerto Madryn and a Hilton in Misiones. He also mentioned that hotel rates, which have differed for local and foreign guests since the devaluation of the Argentine Peso in December 2001, are now beginning to converge.

AMERICAN AIRLINES

¶9. (U) following his meeting with Sec. Meyer, the Ambassador visited American Airlines corporate offices and met with Sergio Hurtado, Director; Domnico Matinata, Regional Sales Director; Carlos Harrington, Sales Manager and Hctor Per!coli, Manager of Institutional Affairs. American explained that they were excited about the launching of their fifth daily flight to Chicago (fifth daily American Airlines flight to Argentina) and with a recent agreement to decrease the fees for airport services.

¶10. (U) American provided the Ambassador with a presentation on a project they are undertaking with Secretary Meyer to bring 90 U.S. travel agents and

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tour operators to Argentina to learn more about ways to promote Argentina as a destination for U.S. tourists.

COMMENT

¶11. The travel and tourism sector in Argentina is booming, and the boom is expected to continue for the foreseeable future. The Secretary of Tourism is taking positive steps by supporting programs to bolster this trend. At the conclusion of the meeting, he offered to meet with the relevant agency heads of the U.S. Embassy in order to provide them with updated information on the market and explore opportunities to collaborate more closely. CS Buenos Aires is in the process of arranging the meeting.

WAYNE